

Mr Tony Shepherd AO
Chair, National Commission of Audit

26 November 2013

Dear Mr Shepherd

Re: Submission to the National Commission of Audit

I am writing on behalf of the Mental Health Council of Australia (MHCA), in response to the call for submissions to the Government's National Commission of Audit.

The MHCA is the peak, national non-government organisation representing and promoting the interests of the Australian mental health sector, committed to achieving better mental health for all Australians. MHCA members include national organisations representing consumers, carers, special needs groups, clinical service providers, public and private mental health service providers, researchers and state/territory community mental health peak bodies.

The MHCA recommends that the Commission of Audit defer any specific action in relation to mental health (beyond possibly lending its support to the need for substantial review) to the more detailed process that will be conducted by the National Mental Health Commission (NMHC). Awaiting the outcome of the NMHC's review will help the Government avoid compounding the fragmentation and unpredictability that has characterised previous changes to the mental health system.

The complex interdependencies of the current system make it difficult to identify specific ways in which government funds are misspent or poorly allocated without very careful consideration. Despite constant data collection and reporting for over 20 years, as a nation we still cannot get a clear picture of Australia's mental health system – what it is, how much it costs, how it interacts with other systems, and most importantly whether it is efficiently and effectively meeting the needs of consumers and carers. At the same time, we do know that many people cannot or do not access the services they need at the right time – a fact that suggests significant under-investment, rather than over-spending, is at the core of the system's failings.

The scale of the mental health challenge for Australia is enormous:

- Collectively, poor mental health accounts for the largest proportion of overall disease burden in Australia¹.
- Australia has one of the lowest rates of employment participation by people with lived experience of mental illness in the OECD².

¹ Australian Institute of Health and Welfare (2007) The burden of disease and injury in Australia 2003, AIHW, Canberra.

² Organisation for Economic Cooperation and Development, Sick on the Job: Myths and Realities about Mental Health and Work, 2011.

- 45 per cent of Australians will experience a mental health issue at some point in their lives and 20 percent will do so in any given year³.
- In any given year, around one million Australians will experience depression and around two million will experience an anxiety disorder⁴.

We note that the Commission of Audit is guided by the principle that “government should do for people what they cannot do, or cannot do efficiently, for themselves, but no more”. While individual self-efficacy has an important part to play in mental health, government must retain a significant role if the costs associated with mental ill-health are to be minimised, and the participation and productivity benefits of good mental health are to be maximised. Without government support, people with mental illness often lack the capacity to improve their circumstances and begin their path to recovery. With the right programs and support, however, the nation’s economy and social fabric benefit from better mental health at a population level. The case for government action on mental health is clear, notwithstanding a range of challenges in building a better mental health system.

There is considerable room both for improvement in the efficiency and effectiveness of government spending on mental health and for further productive investment. There is an immediate need to clarify the respective roles and responsibilities of the Commonwealth Government, State/Territory governments and the non-government sector. The absence of such coordination to date has contributed to significant gaps, overlaps and complexities in the system.

Having emerged in a largely ad hoc reactive manner, our mental health system is currently geared towards responding to acute mental illness in clinical settings, and is underinvesting in the prevention, early intervention and community based programs that could prevent or mitigate acute mental illness and deal more effectively with the cumulative impact of high prevalence conditions.

The MHCA looks forward to working with the Government, and particularly with the NMHC in the course of its upcoming review to build the best mental health system in the world.

We would be very pleased to provide any further information that could assist the Commission of Audit’s work.

Yours sincerely,

Frank Quinlan

CEO

³ Australian Bureau of Statistics, National Survey of Mental Health and Wellbeing: Summary of Results, 2007. Cat. no. 4326.0. Canberra, 2008

⁴ *ibid*